

THE EXTRA MILE, REGION VIII, INC.

MONROE, LOUISIANA

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED

JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

FEB 22 2012

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
JUNE 30, 2011

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December 22, 2011

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Extra Mile, Region VIII, Inc.
Monroe, Louisiana

We have audited the accompanying statement of financial position of The Extra Mile, Region VIII, Inc. as of and for the year ended June 30, 2011, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Extra Mile, Region VIII, Inc. as of June 30, 2011, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2011 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of The Extra Mile, Region VIII, Inc. taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents and the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2011, are presented for purposes of additional analysis as required by the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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December 22, 2011

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
The Extra Mile, Region VIII, Inc.
Monroe, Louisiana

We have audited the financial statements of The Extra Mile, Region VIII, Inc. as of and for the year ended June 30, 2011, and have issued our report thereon dated December 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Extra Mile, Region VIII, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting and which are listed as items 11-1, 11-2, and 11-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Extra Mile, Region VIII, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Extra Mile, Region VIII, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit The Extra Mile, Region VIII, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the board of directors, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnston, Perry, Johnson & Associates, L.L.P.

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December 22, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
The Extra Mile, Region VIII, Inc.
Monroe, Louisiana

Compliance

We have audited the compliance of The Extra Mile, Region VIII, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The Extra Mile, Region VIII, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Extra Mile, Region VIII, Inc.'s management. Our responsibility is to express an opinion on The Extra Mile, Region VIII, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with accounting standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Extra Mile, Region VII,

Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Extra Mile, Region VIII, Inc.'s compliance with those requirements.

In our opinion, The Extra Mile, Region VIII, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of The Extra Mile, Region VIII, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The Extra Mile, Region VIII, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-1, 11-2, and 11-3. A significant deficiency in internal control over compliance is a deficiency, or a

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Extra Mile, Region VIII, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit The Extra Mile, Region VIII, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the board of directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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CERTIFIED PUBLIC ACCOUNTANTS

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

ASSETS

CURRENT ASSETS

Cash in Bank	13,071
Accounts Receivable - Grants	62,380
Prepaid Insurance	<u>7,501</u>

TOTAL CURRENT ASSETS 82,952

FIXED ASSETS

Building	29,000
Equipment	82,292
Less: Accumulated Depreciation	<u>(78,742)</u>

TOTAL FIXED ASSETS 32,550

OTHER ASSETS

Deposits	<u>475</u>
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TOTAL OTHER ASSETS 475

TOTAL ASSETS 115,977

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll Tax Payable	9,223
Accrued Leave	5,891
Line of Credit - Bancorp South	<u>29,827</u>

TOTAL LIABILITIES 44,941

NET ASSETS

Unrestricted Net Assets	<u>71,036</u>
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TOTAL NET ASSETS 71,036

TOTAL LIABILITIES AND NET ASSETS 115,977

The accompanying notes are an integral part of these financial statements.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
JUNE 30, 2011

CHANGES IN UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Support Grants	553,930
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<u>TOTAL SUPPORT</u>	<u>553,930</u>
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Revenue

Fund Raising Revenue (Net)	11,001
Donations	<u>250</u>

<u>TOTAL REVENUE</u>	<u>11,251</u>
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<u>TOTAL SUPPORT AND REVENUE</u>	<u>565,181</u>
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EXPENSES

Program Services

Support for Department of Health & Hospitals - Louisiana and Community Support	<u>503,764</u>
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<u>TOTAL PROGRAM SERVICES</u>	<u>503,764</u>
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Support Services

General and Administrative	<u>76,303</u>
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<u>TOTAL SUPPORT SERVICES</u>	<u>76,303</u>
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<u>TOTAL EXPENSES</u>	<u>580,067</u>
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<u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u>	<u>(14,886)</u>
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<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>85,922</u>
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<u>NET ASSETS - END OF YEAR</u>	<u>71,036</u>
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The accompanying notes are an integral part of these financial statements.

THE EXTRA MILE, REGION VIII, INC.
 MONROE, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES
 JUNE 30, 2011

	<u>Total Program Expenses</u>	<u>General and Administrative</u>	<u>Total</u>
Personal Services	248,899	36,666	285,565
Related Benefits	40,999	5,600	46,599
Travel	19,629	1,931	21,560
Operating Services	163,259	29,008	192,267
Supplies	18,354	1,805	20,159
Other Services	<u>8,608</u>	<u>847</u>	<u>9,455</u>
Total Expenditures Before			
Depreciation	499,748	75,857	575,605
Depreciation	<u>4,016</u>	<u>446</u>	<u>4,462</u>
 <u>TOTAL EXPENSES</u>	 <u>503,764</u>	 <u>76,303</u>	 <u>580,067</u>

The accompanying notes are an integral part of these financial statements.

- 10 -

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THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
STATEMENT OF CASH FLOWS
JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) in Net Assets (14,886)

Adjustments to Reconcile Increase (Decrease) in Net Assets
To Net Cash Provided (Used) by Operating Activities

Depreciation 4,462

(Increase) Decrease in:

Grants Receivable 54,562

Prepaid Insurance 1,390

Increase (Decrease) in:

Accounts Payable (21,965)

Accrued Payroll Taxes (2,732)

Accrued Leave 2,089

Net Cash Provided (Used) By Operating Activities 22,920

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayments of Line of Credit (Net) (19,546)

Net Cash Provided (Used) By Financing Activities (19,546)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets (5,000)

Net Cash Provided (Used) By Investing Activities (5,000)

NET INCREASE (DECREASE) IN CASH (1,626)

BEGINNING CASH AND CASH EQUIVALENTS 14,697

ENDING CASH AND CASH EQUIVALENTS 13,071

SUPPLEMENTAL CASH BASIS DATA

Interest Paid 2,823

Income Taxes Paid -0-

The accompanying notes are an integral part of these financial statements.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Statement of Presentation

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for not-for-profit organizations.

The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All of the net assets at June 30, 2011 are unrestricted.

B. Organization

The Extra Mile, Region VIII, Inc. was organized to promote and develop contributions and volunteers to Louisiana state funded agencies. The Agency is operated exclusively for charitable, educational, and scientific purposes.

C. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Property and Equipment Accounting

Property and equipment acquired with Agency funds are considered to be owned by the Agency while used in the program or in future authorized programs. However, funding sources have a reversionary interest in these assets as well as the determination of use of any proceeds from the sale of these assets.

The Agency follows the practice of capitalizing all expenditures for property and equipment with a cost in excess of \$1,000. Depreciation is computed on a straight-line basis over the estimated service lives of the assets. The following lives have been assigned to the fixed assets:

Computer Equipment and Vehicles	5 Years
Furniture, Fixtures, and Equipment	7 Years
Building	39 Years

Net values are computed as follows:

	<u>2011</u>
Building	29,000
Computer Equipment and Vehicles	51,987
Furniture, Fixtures and Equipment	30,305
Less: Accumulated Depreciation	<u>(78,742)</u>
Net Value	<u>32,550</u>

F. Budget Policy

Budgets are prepared by the Agency's Executive Director and Board of Directors, and approved by the grantor of the funds.

G. Cash in Bank

All funds are in institutions insured by an agency of the Federal Government.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. Related Party Transactions

There were no related party transactions for the year ended June 30, 2011.

I. Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 3,000 volunteer hours per year.

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS:

The Agency receives its monies through various methods of funding. Most of the funds are received on a reimbursement basis. The Agency also receives funds by contributions from both public and private sources. The primary source of funds is the Louisiana Department of Health and Hospitals. The loss of this funding source would have an adverse effect on the Agency.

NOTE 3 - GRANTS RECEIVABLE:

Grants receivable at June 30, 2011 substantially consists of reimbursements for expenses incurred under the program due from the Louisiana Department of Health and Hospitals.

The allowance for bad debts is zero as management believes all amounts are collectible. Accounts are reviewed monthly to determine collectibility.

NOTE 4 - BOARD OF DIRECTORS COMPENSATION:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 5 - INCOME TAX STATUS

The Agency, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 6 - ACCRUED LEAVE:

As of June 30, 2011, unused annual leave time is \$5,891. The Agency allows annual leave to be carried forward for all regular full-time and all regular part-time employees. The maximum accrual for full-time employees is forty hours.

NOTE 7 - CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount which may be disallowed by the grantor cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial.

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Fund-raising expenses are not material.

NOTE 9 - RETIREMENT PLAN:

All employees are covered under the Social Security program.

The Agency also has a 401(k) plan set up for eligible salaried employees. The Agency matches up to 3% on elected contributions. The total amount of contributions was \$850.

NOTE 10 - ADVERTISING:

The Agency expenses advertising costs as they are incurred. Advertising costs for the year ended June 30, 2011 were immaterial.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 11 - FUND-RAISING REVENUE:

The fund-raising revenues and direct cost are as follows:

Fund-Raising Revenue	14,207
Direct Fund-Raising Costs	(3,206)
Net Fund-Raising	<u>11,001</u>

The Agency had no other material fund-raising expenses.

NOTE 12 - LINE OF CREDIT:

The Agency established a \$50,375 line of credit with Bancorp South. The interest rate is 5.75% and the outstanding balance is \$29,827 at June 30, 2011.

NOTE 13 - NONCOMPLIANCE FINDINGS AND QUESTIONED COSTS:

The Agency receives funding/grants from the Louisiana Department of Health and Hospitals and such funding is subject to certain requirements and conditions. The items listed in the schedule of findings and questioned costs will be reviewed by the appropriate funding agency and a final resolution of the questioned costs will be made by such agency.

NOTE 14 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Agency through December 22, 2011, the date the report was available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 15 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Agency reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 16 - UNCERTAIN TAX POSITIONS:

The Agency is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Agency's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2011, 2010, 2009, and 2008 are open for examination by various taxing authorities.

SUPPLEMENTARY FINANCIAL INFORMATION

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

SCHEDULE I

THE EXTRA MILE, REGION VIII, INC.
 MONROE, LOUISIANA
 SCHEDULE OF EXPENDITURES BY GRANTOR
 FOR THE YEAR ENDED JUNE 30, 2011

	DHH State Funds	Drop-In Center	Wrap Around OMH
Personal Services	38,064	74,531	-
Related Benefits	7,200	14,799	-
Travel	600	4,857	1,995
Operating Services	2,100	30,500	27,409
Supplies	736	4,968	2,907
Professional	300	3,300	1,000
Capital Assets	-	600	-
Administration	-	13,584	5,095
Total Expenditures	<u>49,000</u>	<u>147,139</u>	<u>38,406</u>

	Consumer Resources	RAC	Consumer
Personal Services	-	-	136,304
Related Benefits	-	-	19,000
Travel	2,003	2,174	8,000
Operating Services	63,415	1,200	38,635
Supplies	4,043	2,000	3,700
Professional	1,000	1,500	-
Capital Assets	-	-	908
Administration	7,830	727	21,930
Total Expenditures	<u>78,291</u>	<u>7,601</u>	<u>228,477</u>

	Community Support	TOTAL
Personal Services	-	248,899
Related Benefits	-	40,999
Travel	-	19,629
Operating Services	-	163,259
Supplies	-	18,354
Professional	-	7,100
Capital Assets	5,000	6,508
Administration	26,691	75,857
Total Expenditures	<u>33,691</u>	<u>580,605</u>

SCHEDULE II

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services</u>		
Passed through Louisiana		
State Department of Health and Hospitals		
* Block Grants for Community Mental Health Services	93.958	<u>553,930</u>
<u>Total</u>		<u>553,930</u>

* Major Federal Program

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Extra Mile, Region VIII, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

NOTE 2 - SUBRECIPIENTS

The Extra Mile, Region VIII, Inc. did not provide federal awards to subrecipients.

SCHEDULE III

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF BOARD MEMBERS COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2011

No compensation was paid to any board member during the year under audit.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

* Material weakness(es) identified: yes X no

* Significant deficiency(s) identified that are not
Considered to be material weaknesses? X yes no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified: yes X no

* Significant deficiency(s) identified that are not
Considered to be material weaknesses? X yes no

Type of auditors' report issued on compliance for major programs:
Unqualified

Any audit findings disclosed that are required to be
Reported in accordance with Section 510(a) of
Circular A-133? X yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.958	Department of Health & Human Services - Block Grant for Community Mental Health Services

Dollar threshold used to distinguish
Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

11-1

Criteria: Adequate internal controls require general ledger amounts to tie back to cost reimbursement reports.

Condition: General ledger amounts did not tie back to the cost reimbursement report.

Questioned Cost: None

Context: Internal controls

Effect: This finding has no effect on the financial statements as cost reports were correct.

Cause: There was inadequate monitoring of cost reimbursements to ensure proper coding to general ledger accounts.

Recommendation: We recommend the Agency monitor the cost reimbursement reports and the general ledger to ensure proper coding to general ledger accounts.

Response: The Agency will monitor closer the cost reimbursement reports to ensure proper coding to general ledger accounts.

11-2

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Agency's annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
(Continued)

11-2 (Continued)

Finding: decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued professional auditing standards require that we report the above condition as a control deficiency. The standard does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Criteria: Proper internal controls under the professional auditing standards require management to prepare the Agency's annual financial statements.

**Questioned
Cost:** None

Effect: This finding has no material effect on the financial statements.

Cause: It is not cost effective for the Agency to cure this control deficiency.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying the professional auditing standards reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under the professional auditing

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
(Continued)

11-2 (Continued)

Recommendation: standards. In this case, we do not believe that
(Continued) curing the significant deficiency described above
would be cost effective or practical and,
accordingly, do not believe any corrective action is
necessary.

Response: Management agrees with this finding.

11-3

Criteria: The Agency needs to reconcile all bank accounts to
the general ledger.

Condition: It was noted at year end that a bank account was not
reconciled to the general ledger.

Questioned Cost: None

Context: Internal controls

Effect: This finding has an immaterial effect on the
financial statements as there was very limited
activity in the bank account.

Cause: This was an oversight by the Agency.

Recommendation: We recommend the Agency reconcile all bank accounts
to the general ledger.

Response: Management agrees with this finding and will
reconcile all bank accounts to the general ledger.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III - MAJOR PROGRAMS FINANCIAL STATEMENT FINDINGS AND
QUESTIONED COSTS

11-1

Criteria: Adequate internal controls require general ledger amounts to tie back to cost reimbursement reports.

Condition: General ledger amounts did not tie back to the cost reimbursement report.

Questioned Cost: None

Context: Internal controls

Effect: This finding has no effect on the financial statements as cost reports were correct.

Cause: There was inadequate monitoring of cost reimbursements to ensure proper coding to general ledger accounts.

Recommendation: We recommend the Agency monitor the cost reimbursement reports and the general ledger to ensure proper coding to general ledger accounts.

Response: The Agency will monitor closer the cost reimbursement reports to ensure proper coding to general ledger accounts.

11-2

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Agency's annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III - MAJOR PROGRAMS FINANCIAL STATEMENT FINDINGS AND
QUESTIONED COSTS (Continued)

11-2 (Continued)

Finding: decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued professional auditing standards require that we report the above condition as a control deficiency. The standard does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Criteria: Proper internal controls under the professional auditing standards require management to prepare the Agency's annual financial statements.

**Questioned
Cost:** None

Effect: This finding has no material effect on the financial statements.

Cause: It is not cost effective for the Agency to cure this control deficiency.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying the professional auditing standards reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under the professional auditing

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III - MAJOR PROGRAMS FINANCIAL STATEMENT FINDINGS AND
QUESTIONED COSTS (Continued)

11-2 (Continued)

Recommendation: standards. In this case, we do not believe that
(Continued) curing the significant deficiency described above
would be cost effective or practical and,
accordingly, do not believe any corrective action is
necessary.

Response: Management agrees with this finding.

11-3

Criteria: The Agency needs to reconcile all bank accounts to
the general ledger.

Condition: It was noted at year end that a bank account was not
reconciled to the general ledger.

Questioned Cost: None

Context: Internal controls

Effect: This finding has an immaterial effect on the
financial statements as there was very limited
activity in the bank account.

Cause: This was an oversight by the Agency.

Recommendation: We recommend the Agency reconcile all bank accounts
to the general ledger.

Response: Management agrees with this finding and will
reconcile all bank accounts to the general ledger.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
JUNE 30, 2011

10-1

Finding: General ledger amounts did not tie back to the cost reimbursement report.

Status: Uncleared.

10-2

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Agency's annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Status: Uncleared. Not cost effective to cure

10-3

Finding: All bank accounts should be recorded in the general ledger.

Status: Cleared. All bank accounts are now recorded in the general ledger.

10-4

Finding: The Agency needs to follow its updated personnel policies with respect to paid leave.

Status: Cleared. The Agency is now following its personnel manual with respect to paid leave.